

UNIT-1 – HISTORY

INDIA AND THE CONTEMPORARY WORLD-II

- Chapter 4 : The Making of a Global World
- Chapter 5 : The Age of Industrialisation
- Chapter 6 : Work, Life and Leisure
- Chapter 7 : Print Culture and the Modern World
- Chapter 8 : Novels, Society and History

4 THE MAKING OF A GLOBAL WORLD

CONCEPT

SECTION A — THE PRE-MODERN WORLD

- **Globalisation** is an economic system associated with the free movement of capital, goods, technology, ideas and people across the globe. It developed mainly through trade, migration of those who were seeking better life and movement of capital.
- Travellers, traders, priests and pilgrims travelled vast distances in search of knowledge, opportunity, spiritual fulfilment or to escape persecution. They carried articles, values, skills and even diseases.
- **The Silk Route** is a pre-modern trade route over land and sea which affected cultures of China, Central Asia and the West. Besides trade, art, literature and philosophical ideas were also exchanged.
- **Food travelled** : Potatoes from North & South America and the Caribbean islands travelled to the rest of the world, when it was accidentally discovered by Christopher Columbus.
- Precious metals from mines of Peru and Mexico enhanced European trade with Asia. The Europeans conquered and carried diseases like “small pox,” to South America.
- Europe leaped ahead of other continents due to Renaissance, Industrial Revolution, capitalism, ideas of the French and American Revolutions.
- Colonies were established by Europeans all over the world.

SECTION B — THE 19TH CENTURY (1815–1914) ECONOMY

- The 19th century saw international economic exchange by 3 types of movements or flows – Trade flow, Labour flow and Capital flow.
- Industrial Revolution changed the consumption and production pattern of the people.
- Demand for food increased, England imposed Corn Laws but tried to withdraw them under pressure from urban dwellers and industrialists. It led to import of cheap agricultural products into England.
- Countries like Eastern Europe, Russia, America and Australia increased their food productivity to meet British needs, and became industrialised.
- **Global Migration** took place and nearly 50 million people migrated from Europe to America and Australia in the 19th century due to poverty, hunger and to escape religious persecution.
- Technology reached its highest peak in Europe with the invention of Railways, Steamships, Telegraph and Shipbuilding. Meat trade at this time is a fine example of interdependence of technology and economy.
- **Late 19th century** saw colonisation at huge scale by Britain, France and followed by Spain, Portugal, Germany and Belgium. The USA also became a colonial power by the 1890s. Most regions of Asia and Africa became colonies of the West.

- **Rinderpest or the Cattle Plague** arrived in Africa from Europe. It destroyed nearly 90% of the livestock and destroyed the livelihood of the Natives. Mine owners and colonial powers benefitted by it and Africa ceased to be a free continent.
- **A new system of slavery** — Indentured labour immigration from India started to the Caribbean Islands, Mauritius, Fiji, Ceylon and Malaya.
- Though cheated and treated badly, they adapted to their new environment and cultural fusion took place as a result of this process of migration.
- **Indian entrepreneurs**, some bankers like Nattukottai and Chettiars financed export of agriculture to Central and South-East Asia. They even followed the Europeans to Africa.
- Industrial Revolution in England changed the balance of trade between England and India. Indian handicraft and agriculture were destroyed and Britain enjoyed a trade surplus with India. Their exports increased and imports decreased.

SECTION C — THE INTER-WAR ECONOMY

- **The First World War (1914–1918)** transformed the socio-economic and political structure of the world.
- The war killed 9 million and injured 20 million people by using new, modern weapons of mass destruction.
- Economic Transformation took place in the form of shift in investment and capital distribution. The war encouraged war-related goods.
- The USA became international creditor of Europe, Russia became a communist country in 1917.
- The League of Nations was formed to end all future wars.
- **Post-war Recovery.** Britain faced a steep war-debt and her position as a world economic power ended. Unemployment increased, grain prices fell due to overproduction. After the war Eastern Europe revived its wheat production, leading to a glut.
- The US recovered from the post-war crisis at a great speed due to the introduction of mass production.
- Henry Ford introduced the assembly line production. His T-model Ford was the world's first mass produced car.
- Mass production lowered the costs and prices of engineered goods. There was a housing and consumer boom in the 1920s, which ultimately led to the **Great Depression of 1929**.
- Markets crashed in 1929, and led to failure of banks, and the American crisis affected other countries. By 1933, over 4000 banks closed and between 1929-32 about 110,000 companies collapsed.
- **India** was also affected by the Great Depression. Indian exports and imports declined extensively, prices fell. Bengal jute growers suffered the most. Large scale migration took place from villages to towns and cities.

SECTION D — REBUILDING OF A WORLD ECONOMY : THE POST-WAR ERA

- The Second World War (1939–1945) was even more devastating than the First.
- About 3% of the world population perished, more civilians than fighting soldiers.
- **Two countries** — USA and the USSR emerged as superpowers in the post-war scenario.

- **International** organisations like the UNO and others were established to maintain peace and stability.
- **Two lessons** were learnt by the economists and the politicians in the post-war system
 - (i) to ensure mass consumption in an industrial society by high and stable income.
 - (ii) to ensure full employment and government control of flows of goods, capital and labour.
- **Bretton Woods Agreement (July 1944)**. To ensure a stable economy a framework was agreed upon at the United Nations Monetary and Financial Conference held at Bretton Woods in New Hampshire, USA. It established the International Monetary Fund (IMF) and the World Bank.
- **The IMF** was to deal with external surpluses and deficits of its member nations.
- **The World Bank** was an International Bank for reconstruction and development and was to finance the post-war reconstruction.
- **Bretton Woods System** was based on a fixed exchange rate. National currencies were pegged to the American dollar at a fixed rate. The western powers, the USA specially, controlled the decision-making provisions such as the right to veto. It linked national currencies and the monetary system.
- The Bretton Woods System benefitted the Western industrial nations and Japan and brought immense trade and income to them.
- Post-war era saw rapid decolonisation and many countries in Asia and Africa became independent nations, supported by UNO and NAM.
- Group of 77 or G-77 was organised by developing countries to demand a new international economic order (NIEO) which would give these countries real control over their national resources, raw materials, manufactured goods in their markets.
- MNCs or multinational companies were established in the 1950s and 1960s and operated in several countries.

I. SUMMATIVE ASSESSMENT

ANCERT TEXTBOOK QUESTIONS

Q.1. Give two examples of different types of global exchanges which took place before the seventeenth century, choosing one example from Asia and one from the Americas.

Ans. Asia : Caravans carried items such as precious stones and metals, gold, ivory, and glass to China until around the fifth century C.E. From China, the Parthians and other merchants carried silk, furs, ceramics, jade, bronze objects, lacquer and iron. Silk was mostly demanded in Rome.

America : In the sixteenth century, precious metals like silver from the mines of Peru and Mexico were taken to Europe. This in turn financed European trade with Asia.

Q.2. Explain how the global transfer of disease in the pre-modern world helped in the colonisation of the Americas.

Ans. A virus called small pox, which was brought from Europe to the America, decimated much of the native communities around the mid-sixteenth century. The original inhabitants had no immunity against such diseases and they were unable to resist the coloniser's superior weapons.

Q.3. What happened when British government decided to abolish the Corn Laws?

Ans. The immediate effect of the British government's decision to abolish the Corn Laws was the inflow of cheaper agricultural crops from America and Australia. Many English farmers left their profession and migrated to towns and cities. Some went overseas. This indirectly led to global agriculture and rapid urbanisation, a prerequisite of industrial growth.

Q.4. Describe in a few words how Rinderpest affected Africa.

Ans. Rinderpest was a cattle epidemic that came to Africa with the infected meat imported from British India to feed the Italian soldiers invading Eritrea in East Africa. It killed more than 90 per cent of the livestock in Africa, making them dependent on Europeans for food and turned them subservient.

Q.5. How did the death of men of working age in Europe during the World War affect Europe?

Ans. Most of the victims of world war belonged to young generations of working men. As a result, it reduced the workforce in Europe, thereby reducing household income. The role of women increased and led to demand for more equality of status. It made the feminist movement stronger. Women started working alongside men in every field. Women and youngsters became more independent and free with long-term effects.

Q.6. How did the Great Depression affect agriculture in India?

Ans. The impact of the Great Depression in India was felt especially in the agricultural sector. It was evident that Indian economy was closely becoming integrated to global economy. India was a British colony and exported agricultural goods and imported manufactured goods. The fall in agricultural price led to reduction of farmers' income and agricultural export. The government did not decrease their tax and so, many farmers and landlords became more indebted to moneylenders and corrupt officials. It led to a great rural unrest in India.

Q.7. Explain the three types of movements or flows within international economic exchange. Find one example of each type of flow which involved India and Indians, and write a short account of it.

Ans. Economy of the nineteenth century are identified into three types or flows by the economist. They are based on the international exchange of goods and capital. They are:

- (i) Trade flow of goods, e.g. cloth or wheat, in which goods are exchanged at long and short distances. Indians traded with the rest of the world as early as the Indus Valley civilisation. For example, Indus people had trade relations with Mesopotamia.
- (ii) Labour flow, e.g. the migration of people for employment, in which industrial countries actively create conditions favourable for employment and services. Many Indian labourers worked in plantations at South America and other colonies.
- (iii) Movement of capital for short-term or long-term investment. In this, movement of resources from one country to another takes place through loans or business investments. The British transferred a lot of capital from India to England before independence.

All three are closely associated and affected the lives of people in the nineteenth century.

Q.8. Give two examples from history to show the impact of technology on food availability.

Ans. The nineteenth century witnessed a high rate of growth in industrial and agricultural products.

- (i) The technological development was accelerated by the industrial growth and increasing world trade. Colonies also provided the resources and markets which sustained the industrial growth. Thus, railways were needed to link agricultural regions to the ports from where the goods were transported, thereby increasing food availability to more destinations.
- (ii) Shipbuilding also became an important industry and countries competed to control trade routes on seas. Technology helped in the larger social, political and economic factors. For example, steamships and railways helped in carrying large volume of trading materials between long and inaccessible distance.

Q.9. Explain the causes of the Great Depression.

Ans. The Great Depression was caused by several factors:

- (i) Prosperity in the USA during the 1920s created a cycle of higher employment and incomes. It led to rise in consumption and demands. More investment and more employment created tendencies of speculations which led to the Great Depression of 1929 upto the mid-1930s.
- (ii) Stock market crashed in 1929. It created panic among investors and depositors who stopped investing and depositing. As a result, it created a cycle of depreciation.
- (iii) Failure of the banks. Some of the banks closed down when people withdrew all their assets, leaving them unable to invest. Some banks called back loans taken from them at the same dollar rate inspite of the falling value of dollar. It was worsened by British change in policy to value pound at the pre-war value.

Q.10. Explain what is referred to as the G-77 countries. In what ways can G-77 be seen as a reaction to the activities of the Bretton Woods twins?

Ans. The IMF and the World Bank or the Bretton Woods twins served in the reconstruction of these nations. In the process, large corporations of powerful nations like the USA often managed to secure economic and other extra territorial rights over weaker nations.

The economic advances made by the West and Japan in the 1950s and 1960s did not benefit most of the developing countries.

As a reaction to the activities of the Bretton Woods twins, they organised themselves into a group known as the Group of 77 or G-77 in order to demand a new international economic order (NIEO). The NIEO stood for a system that would give these nations real control over their natural resources, more development assistance, fairer prices for raw materials, and better access for manufactured goods in their markets.

Q.11. Discuss why the MNCs in recent years have tried to relocate production to Asian countries.

Ans. US business expanded worldwide through the MNCs. In recent years, they have tried to relocate production to Asian countries for the following reasons:

- (i) Partly to locate their manufacturing operations and become domestic producers to avoid high tariff rates imposed by different countries.
- (ii) It is also because Asian countries are attractive destinations for investment, trying to capture world markets with its large population and globalisation.
- (iii) The economic transformation of countries like India, China and Brazil also stimulated world trade and capital flows.

OTHER IMPORTANT QUESTIONS (AS PER CCE PATTERN)

B. MULTIPLE CHOICE QUESTIONS [1 MARK]

Q.1. 'Globalisation' today mainly refers to :

- (a) Trade, migration of people in search of work
- (b) Movement of capital
- (c) An economic system that has emerged in the last 50 years
- (d) Cultural links among world societies

Ans. (c)

Q.2. Who were the first people to link the world in ancient times and why?

- (a) Priests and pilgrims travelled vast distances for knowledge and spiritual fulfilment
- (b) Travellers, traders, priests and pilgrims travelled vast distances for knowledge, opportunity, spiritual fulfilment or to escape persecution
- (c) Traders
- (d) All the above

Ans. (b)

Q.3. The main reason why the world "shrank" in the 1500s is :

- (a) Emergence of Europe as the centre of world trade
- (b) China's retreat into isolation and its reduced role in politics
- (c) Slaves working in plantations, growing sugar and cotton for European markets
- (d) European sailors found a sea route to Asia, and also crossed the Atlantic and discovered America.

Ans. (d)

Q.4. Which of the following statements is a true definition of what the economists identify as "flows"?

- (a) Trade in goods (cloth or wheat), migration of people in search of employment and movement of capital for short-term or long-term investments over long distances
- (b) Economic, social, cultural and technological exchanges
- (c) Self-sufficiency in food and no imports of food
- (d) All the above

Ans. (a)

Q.5. The two evidences we have of India carrying on an active coastal trade in ancient times are :

- (a) Indians carried goods, money, skills and ideas abroad
- (b) An active coastal trade, as early as 3000 BC, linked Indus Valley Civilisation with present-day West Asia
- (c) Both (a) and (b)
- (d) For more than a millennium, cowries (a form of Indian currency) found its way from Maldives, to China and East Africa.

Ans. (c)

Q.6. The most powerful weapon, which the Spanish conquerors of America had, was :

- (a) superiority in conventional weapons
- (b) germs, such as those of small pox, proved a deadly killer and paved the way for conquest
- (c) America's original inhabitants had no immunity against diseases that came from Europe
- (d) both (b) and (c)

Ans. (d)

Q.7. Beside clearing land, what else was needed to increase food production in the world in the 19th century?

- (a) Railways to link agricultural regions, harbours to be expanded or built for new cargoes
- (b) Building homes and settlements for those working on land
- (c) Capital and labour
- (d) All the above

Ans. (d)

Q.8. The number of people who migrated from Europe to America and Australia and other parts of the world in the 19th century was nearly

- (a) 10 million from Europe and 100 million from all over the world.
- (b) 20 million from Europe and about 150 million from all over the world
- (c) 50 million people from Europe to America and Australia and 150 million from all over the world migrate
- (d) The number is not certain, not enough proof

Ans. (c)

Q.9. The dramatic changes in global agricultural economy by 1890, were :

- (a) Food no longer came from a nearby village but from thousands of miles away, grown by a migrant recently arrived
- (b) Food was transported by railways recently built and ships manned by low-paid workers from southern Europe, Asia, Africa
- (c) Forests were converted into large farms, leading to ecological changes
- (d) All the above

Ans. (d)

Q.10. Indentured labour means :

- (a) Labour which is marked by identification marks on their bodies
- (b) A bonded labourer, under contract to work for a specific time for his employer, to pay off his passage to a new country or home
- (c) A slave brought in a share market
- (d) All the above

Ans. (d)

Q.11. The example of indentured labour's migration from India illustrates :

- (a) The two-sided nature of the 19th century world
- (b) A world of faster economic growth as well as great misery, higher income for some and poverty for others
- (c) Technological advances in some areas, new forms of coercion in others
- (d) All the above

Ans. (d)

Q.12. In the 19th century hundreds of thousands of Indian and Chinese labourers went to work on :

- (a) Farms all around the world
- (b) In factories, in Africa
- (c) In mines, plantations, road and railway construction projects around the world
- (d) In the diamond and gold mines of South America

Ans. (c)

Q.13. Indian nationalist leaders began opposing the system of indentured labour migration from the 1900s because :

- (a) They considered it abusive, cruel and a new form of slavery
- (b) Indian indentured workers were considered “coolies” in the Caribbean
- (c) The minority migrants were given few legal rights, and their living and working conditions were harsh
- (d) All the above.

Ans. (a)

Q.14. Name one Nobel Prize winning writer who was a descendant of indentured labour migrants :

- (a) Shivnarain Chander Paul
- (b) Rannabesh Sarwan
- (c) V.S. Naipaul
- (d) Kam Narain Tewary

Ans. (c)

Q.15. Indentured labour system was abolished in India in :

- (a) 1900
- (b) 1920
- (c) 1921
- (d) 1922

Ans. (c)

Q.16. The reasons why the inflow of fine Indian cotton into Britain and other countries declined in the 19th century were :

- (a) Industrialisation and expansion of cotton manufacture in Britain
- (b) Imposition of tariff on cloth imported into Britain to protect local industries
- (c) British manufacturers began to seek overseas markets for their cloth, Indians faced stiff competition in international markets
- (d) All the above

Ans. (d)

Q.17. Which Indian town is shown in the picture and why ?

- (a) Mumbai, it was a big industrial city in India
- (b) Kolkata, a distant view with the river in background
- (c) A distant view of Surat and its river— in the 17th and early 18th centuries, it was the centre of overseas trade in western Indian ocean.
- (d) Goa, a seaport, which traded with other countries



Ans. (c)

Q.18. The British 'trade surplus' with India in the 19th century helped Britain :

- (a) To balance its trade deficits with other countries
- (b) It helped to pay home charges that included private remittances by British officials and traders
- (c) Britain could pay interest payments on India's external debts and pensions of British officials in India
- (d) All the above

Ans. (d)

Q.19. The foods introduced in Europe after Christopher Columbus accidentally discovered the vast continent, later known as America, were :

- (a) Spaghetti and noodles
- (b) Potatoes, soya, groundnuts, maize, tomatoes, chillies and sweet potatoes
- (c) Pasta and potatoes
- (d) All the above

Ans. (b)

Q.20. The Europeans brought to Africa a devastating disease which destroyed :

- (a) Rinderpest, a disease carried by infected cattle, imported from British India to feed Italian soldiers
- (b) 90 percent of cattle in Africa by 1897
- (c) Both (a) and (b)
- (d) None of the above

Ans. (c)

Q.21. The Second World War was fought between :

- (a) America and Europe
- (b) USA & England and Germany & Japan
- (c) The Allies (Britain, France, Soviet Union and the US) and the Axis powers (Nazi Germany, Japan and Italy)
- (d) The USA, England and France and Germany and Italy

Ans. (c)

Q.22. From whom could a humble Indian peasant borrow capital for growing food and other crops for the world market?

- (a) From Indian bankers like Shikaripuri Shroffs and Nattu Kotai
- (b) From traders and moneylenders like Hyderabadi Sindhis, who followed European colonisers into Africa
- (c) Both (a) and (b)
- (d) All the above

Ans. (c)

Q.23. Which of the following statements support the view that the Second World War was unlike other wars?

- (a) More civilians than soldiers died from war-related causes
- (b) Vast parts of Europe and Asia were devastated, several cities were destroyed by aerial bombardments and artillery attacks

- (c) Most of the deaths took place outside the battlefields
- (d) All the above

Ans. (d)

Q.24. Post-war reconstruction was shaped by two crucial influences. They were :

- (a) The US emerged as the dominant economic, political and military power in the western world
- (b) The capitalist world collapsed
- (c) The Soviet Union emerged as a world power
- (d) Both (a) and (c)

Ans. (d)

Q.25. The dramatic change in global agricultural economy occurred in West Punjab, India. The similarity was :

- (a) Building of irrigation canals to transform semi-deserts into fertile agricultural lands for growing wheat and cotton for export
- (b) Peasants from other parts of Punjab were settled in these canal colonies
- (c) Both (a) and (b)
- (d) Importing labour from southern India

Ans. (c)

Q.26. Trade in meat is chosen as an example of the role of technology in global agricultural economy because :

- (a) technology promoted better living conditions at home and support for imperialism abroad
- (b) frozen meat transported to Europe reduced the cost of shipping meat and made it affordable for the poor
- (c) Both (a) and (b)
- (d) Live animals were shipped from America to Europe, then slaughtered on arrival, this led to meat being unfit to be eaten.

Ans. (c)

Q.27. The decision-making in the IMF and the World Bank is controlled by :

- (a) All the member-nations of these two banks
- (b) Western industrial powers and the US's right to veto over key IMF and World Bank decisions
- (c) The Asian-African bloc
- (d) A majority vote by all the nations

Ans. (b)

Q.28. Which of the following statements is true about the international monetary system?

- (a) A system which links national currencies and monetary system
- (b) A system based on fixed exchange rates, for example, Indian rupee was pegged to the dollar at a fixed rate
- (c) The dollar was anchored to gold at a fixed price of \$ 35 per ounce of gold
- (d) All the above

Ans. (d)

Q.29. The European colonies in Asia and Africa after Independence faced the problems of :

- (a) Overpopulation and illiteracy
- (b) Burden of overwhelming poverty and a lack of resources
- (c) The economic and social handicaps of long periods of colonial rule
- (d) Dependence on the colonial powers for economic growth

Ans. (b)

Q.30. The IMF and the World Bank shifted their attention in the late 1950s towards the developing countries, because

- (a) They wanted to dominate the economy of the developing nations.
- (b) Europe and Japan had rapidly rebuilt their economies and did not need the help of IMF and World Bank
- (c) The developing countries needed their help to fight (poverty and lack of resources)
- (d) Both (b) and (c)

Ans. (d)

Q.31. The Group of 77 or G - 77 was :

- (a) A group formed by western nations to exploit the developing nations
- (b) A group formed by the developing countries to demand a new international economic order
- (c) A protest against the western economic policies
- (d) All the above

Ans. (b)

Q.32. Through the NIEO, the developing countries demanded :

- (a) A system that would give them total control over their natural resources
- (b) More development assistance and fairer prices for raw materials
- (c) Better access for their manufactured goods in developed countries' markets
- (d) All the above

Ans. (d)

Q.33. MNCs are :

- (a) Foreign companies that flourish in the developing countries
- (b) Multinational corporations (or large companies) that operate in several countries at the same time
- (c) Large companies that try to exploit small companies
- (d) West European and Japanese companies which exploit the developing countries

Ans. (b)

Q.34. The worldwide spread of the MNCs in the 1950s and 1960s was partly due to :

- (a) US businesses expanded in these years
- (b) Western Europe and Japan became powerful industrial economies
- (c) High import tariffs imposed by different governments forced the MNCs to locate their manufacturing operations and become domestic operators in many countries
- (d) All the above

Ans. (c)

Q.35. Which of the following statements are reasons for the collapse of the system of fixed exchange rate in the 1960s?

- (a) The rising costs of its overseas involvements weakened the US finances and competitive strength
- (b) The US dollar no longer commanded confidence as the world's principal currency
- (c) The US dollar could not maintain its value in relation to gold
- (d) All the above

Ans. (d)

Q.36. Tariff means

- (a) Any kind of tax on any product
- (b) Tax imposed on a country's imports levied at the point of entry, i.e. border or airport
- (c) A tax imposed on income
- (d) A tax imposed on exports

Ans. (b)

Q.37. The Second World War was a war fought for _____.

- (a) 8 years, from 1930–1938
- (b) 6 years, from 1939–1945
- (c) 5 years, from 1939–1944
- (d) 10 years, from 1939–1949

Ans. (b)

Q.38. Why did MNCs begin to shift production operations to low-wage Asian countries in the late 1970s?

- (a) The industrial world was hit by unemployment from the mid-1970s to the early 1990s
- (b) Low wages in countries like China reduced the cost of investments and made it easy for the MNCs to capture world markets
- (c) Both (a) and (b)
- (d) New economic policies in China and collapse of the Soviet Union

Ans. (c)

Q.39. 'Bretton Woods' is associated with

- (a) a post-war international system to preserve economic stability
- (b) A United Nations Monetary and Financial Conference (held in July 1944, in Bretton Woods, New Hampshire)
- (c) A peace settlement after the Second World War
- (d) Both (a) and (b)

Ans. (d)

Q.40. The 'Bretton Woods' twins are :

- (a) The USA and Soviet Russia
- (b) The two international banks — The IMF and the World Bank – set up to finance post-war reconstruction
- (c) The framework agreed upon by the United Nations Monetary and Financial Conference
- (d) All the above

Ans. (b)

Q.41. What is Rinderpest? [2010, 2011 (T-1)]
(a) a person (b) a disease (c) a place (d) monument

Ans. (b)

Q.42. Who made the best-cost cutting decision? [2010 (T-1)]
(a) Henry Ford (b) James Watt (c) James Ford (d) None of these

Ans. (a)

Q.43. Which among the following were considered as Allies Powers? [2010 (T-1)]

- (a) Britain, France, Russia
- (b) Germany, Austria - Hungary and Ottoman Turk
- (c) Japan, France and Germany
- (d) Britain, Japan and Russia

Ans. (a)

Q.44. Which one of the following institutions was established in the Bretton Woods Conference? [2010 (T-1)]

- (a) International Security Fund (b) International Monetary Fund
- (c) Indian Monetary Fund (d) International Labour Organisation

Ans. (b)

Q.45. Who adopted the concept of an assembly line to produce automobiles? [2010, 2011 (T-1)]
(a) T. Cuppola (b) V. S. Naipaul (c) Henry Ford (d) Ramesh Sarwan

Ans. (c)

Q.46. Which among the following countries were considered as Axis Powers during Second World War? [2010 (T-1)]

- (a) Nazi Germany, Japan, Italy (b) Britain, Germany, Russia
- (c) France, Germany, Italy (d) Britain, France, Russia and the US

Ans. (a)

Q.47. Which one of the following did not travel along the silk routes in the pre-modern world? [2010 (T-1)]

- (a) Christian missionaries (b) Traders
- (c) Tourists (d) Muslim preachers

Ans. (c)

Q.48. Which one of the following is a Nobel Prize winning writer who is a descendant of indentured labour from India? [2010 (T-1)]

- (a) Salman Rushdie (b) V. S. Naipaul (c) Arundhati Roy (d) Bob Marley

Ans. (b)

Q.49. Which of the following West Indies cricketers trace their roots to indentured labour migrants from India? [2010 (T-1)]

- (a) Vivian Richards and Gary Sobers
- (b) Chris Gayle and Dwayne Bravo
- (c) Ramnaresh Sarwan and Shivnarine Chanderpaul
- (d) Brian Lara and Courtney Walsh

Ans. (c)

Q.50. What is El Dorado in South America? [2010, 2011 (T-1)]

- (a) It was the place where Columbus landed (b) Where silver mines were located
(c) A fabled city of gold (d) A famous slave market

Ans. (c)

Q.51. Which of the following statements is not true of mass production? [2010, 2011 (T-1)]

- (a) Lowered cost and prices of goods (b) Stress-free working
(c) Increased output per worker (d) Assembly line production

Ans. (b)

Q.52. The introduction of which of the following crops led to European poor to eat better and live longer? [2010 (T-1)]

- (a) Potato (b) Spaghetti (c) Tomatoes (d) Soybean

Ans. (a)

Q.53. Nineteenth century 'indenture' has often been described as [2010 (T-1)]

- (a) forced conscription (b) new system of slavery
(c) serfdom (d) None of these

Ans. (b)

Q.54. In which one of the following cities did the European powers meet in 1885 to divide Africa between themselves? [2010 (T-1)]

- (a) London (b) New York (c) Berlin (d) Amsterdam

Ans. (c)

Q.55. Which one of the following countries has an effective right of veto over IMF and World Bank? [2010 (T-1)]

- (a) India (b) the USA (c) Srilanka (d) Japan

Ans. (b)

Q.56. 'Silk Route' refers to [2010 (T-1)]

- (a) Network of routes connecting China and Rome
(b) Network of routes connecting India and Rome
(c) Network of routes connecting China and India
(d) Network of routes connecting Asia with Europe and Northern Africa

Ans. (d)

Q.57. Most Indian indentured workers came from present regions of [2010 (T-1)]

- (a) Uttar Pradesh (b) Bihar
(c) Dry districts of Tamil Nadu (d) All the above

Ans. (d)

Q.58. Which of the following allowed the British Government to restrict the import of corn? [2010 (T-1)]

- (a) Food Act (b) Corn Act (c) Corn Laws (d) Import Act

Ans. (c)

Q.59. Which of the following was the most powerful weapon used by Spanish to conquer America? [2010, 2011 (T-1)]

- (a) Atom Bomb (b) Navy (c) Germs (d) Poisonous gas

Ans. (c)

Q.60. From which century China is said to have restricted overseas contacts and retreated into isolation? [2010 (T-1)]

- (a) 14th (b) 15th (c) 16th (d) 17th

Ans. (b)

Q.61. From which one of the following countries did Britain borrow large sums of money during first World War? [2010, 2011 (T-1)]

- (a) United States of America (b) Russia
(c) Japan (d) Germany

Ans. (a)

Q.62. What is the name of the routes linking Asia with Europe and northern Africa? [2010 (T-1)]

- (a) Asian routes (b) Silk routes (c) Trade routes (d) Africa routes

Ans. (b)

Q.63. People's livelihoods and local economy of which one of the following was badly affected by the disease named Rinderpest? [2010, 2011 (T-1)]

- (a) Asia (b) Europe (c) Africa (d) South America

Ans. (c)

Q.64. Who among the following discovered the continent of America? [2010, 2011 (T-1)]

- (a) Vasco da Gama (b) Ferdinand Magellan
(c) Christopher Columbus (d) Copernicus

Ans. (c)

Q.65. Which one of the following countries passed Corn Laws to restrict the import of corn? [2010 (T-1)]

- (a) India (b) France (c) China (d) Britain

Ans. (d)

Q.66. Which one of the following crops was not known to our ancestors until about five centuries ago? [2010 (T-1)]

- (a) Potato (b) Rice (c) Wheat (d) Cotton

Ans. (a)

Q.67. Why did the wheat price in India fall down by 50 per cent between 1928 and 1934? [2010, 2011 (T-1)]

- (a) Due to less production (b) Due to floods
(c) Due to Great Depression (d) Due to droughts

Ans. (c)

Q.68. Which was the main destination of Indian indentured migrants? [2010, 2011 (T-1)]

- (a) Africa (b) Australia
(c) Trinidad and Guyana (d) All the above places

Ans. (c)

Q69. Which one of the following was the world's first mass produced car? [2010 (T-1)]
(a) 'T' model car (b) Maruti car (c) BMW car (d) None of the above

Ans. (a)

Q.70. The United Nations Monetary and Financial Conference was held at Bretton Woods in (USA) in the year [2010 (T-1)]

- (a) 1942 (b) 1943 (c) 1944 (d) 1945

Ans. (c)

Q.71. Who among the following was a well-known pioneer of mass production? [2010 (T-1)]

- (a) Jamshedji Tata (b) G.D. Birla
(c) Henry Ford (d) None of the above

Ans. (c)

Q.72. According to which famous economist, Indian gold exports promoted global economic recovery? [2010 (T-1)]

- (a) Paul Wood (b) John Maynard Keynes
(c) Amartya Sen (d) David Jones

Ans. (b)

Q.73. Which among the following is referred to as the 'Bretton Woods twins'? [2010 (T-1)]

- (a) The IMF and the World Bank (b) The IMF and the WTO
(c) The World Bank and the WTO (d) None of the above

Ans. (a)

Q.74. In which of the following years Rinderpest arrived in Africa? [2010, 2011 (T-1)]

- (a) 1880 (b) 1882 (c) 1876 (d) 1885

Ans. (a)

Q.75. Which is the third type of movement identified by the economists of 19th century? [2010 (T-1)]

- (a) Flow of trade (b) Flow of capital (c) Flow of labour (d) Flow of goods

Ans. (b)

Q.76. In which of the following years global agricultural economy had taken shape? [2010 (T-1)]

- (a) By 1870 (b) By 1888 (c) By 1892 (d) By 1890

Ans. (d)

Q.77. Which one of the following was experienced during Great Depression of 1929? [2010 (T-1)]

- (a) Increase in production and income (b) Increase in employment and trade
(c) Decrease in production and employment (d) All the above

Ans. (c)

Q.78. What were the "Corn Laws"? [2010 (T-1)]

- (a) Laws to restrict the export of corn (b) Laws to restrict the import of corn
(c) Laws to restrict the import and export of corn (d) None of the above

Ans. (b)

Q.79. Which of the following did not take part in the first World War? [2011 (T-1)]

- (a) France (b) Germany (c) Portugal (d) England

Ans. (c)

Q.80. 'Chutney' music was popular in [2011 (T-1)]

- (a) Trinidad (b) Canada (c) England (d) Germany

Ans. (a)

Q.81. When did the global agricultural economy start? [2010, 2011 (T-1)]

- (a) 1894 (b) 1890 (c) 1892 (d) 1891

Ans. (b)

Q.82. Which of the following diseases proved a deadly killer for the people of America? [2011 (T-1)]

- (a) Cholera (b) Small pox (c) Plague (d) None of the above

Ans. (b)

Q.83. Which of the following powerful weapons was used by the Spanish conquerors to colonise Americas during the mid-seventeenth century? [2011 (T-1)]

- (a) Conventional military weapons (b) Modern military weapons
(c) Biological weapons (germs of smallpox) (d) Nuclear weapons

Ans. (c)

Q.84. In which year did the Great Depression start? [2011 (T-1)]

- (a) 1928 (b) 1929 (c) 1930 (d) 1936

Ans. (b)

Q.85. Which of the following is the first European country that conquered America? [2011 (T-1)]

- (a) The French (b) The English (c) The Spanish (d) The Germans

Ans. (c)

Q.86. Most Indian indentured workers came from [2011 (T-1)]

- (a) Eastern U.P. (b) North-eastern states
(c) Jammu and Kashmir (d) None of the above

Ans. (a)

C. SHORT ANSWER TYPE QUESTIONS [3 MARKS]

Q.1. What role did the silk route play between Chinese and the Romans?

Ans. The Romans learned about the silk route from the Parthians around 53 B.C.E. They used the word "Seres" or the silk people to refer to the Chinese. Though there was no direct evidence of any Roman merchants or Chinese in both the civilisations, silk was most coveted in Rome. Roman items were popular in China too.

Q.2. Explain how food habits are good indicators of globalisation.

Ans. The exchange of food crops and habits between different regions and its adoption by different societies was a good indicator of globalisation. For example, the Europeans benefitted from the introduction of potatoes with good nutrients and health. Thousands perished in 1840s during the Irish Potato Famine.

Q.3. Describe in a few words how Europe changed at the end of the eighteenth century.

Ans. Scientific and revolutionary ideas changed the outlook and conduct of the European people by

the end of the eighteenth century. The Industrial Revolution took place in England and spread over to other European nations. The Reformation led to the Protestant movement led by Martin Luther which further helped capitalism and scientific thinking.

Q.4. Who were the indentured labour? Which states of India produced the largest number of indentured labour? (2010)

Ans. Indentured labours were bonded labourers who were transferable to any countries on contract for a specific amount of wage and time. Most of the labourers were from Uttar Pradesh, Bihar, Central India and certain districts of Tamil Nadu.

Q.5. Describe some technological developments of the nineteenth century that affected industrial growth. (2010)

Ans. Railways were needed to link agricultural regions to the ports. Ship building became an important industry and countries competed to control the trade routes on seas. The invention of steam engine made it possible for steam ships and railways to carry large volumes of trading materials between long and inaccessible distances.

Q.6. What was the new system of slavery in the nineteenth century? (2010)

OR

Nineteenth Century indenture has been described as a new system of slavery. Explain any three points.

Ans. (i) The poor labours recruited as indentured labours were often cheated by the agents and employers alike.
(ii) Some were forcibly taken, while some were not even told of their final destinations.
(iii) They were treated miserably. Such practices led some historians to refer to it as 'a new system of slavery.'

Q.7. How was the USA able to recover from the post-World War economic crisis?

Ans. The USA was able to recover from the post-war crisis at a great speed. Its economy resumed its strong growth in the early 1920s. An important factor was the introduction of mass production. Henry Ford, owner of the Ford Company, was the first man to start using a new system of production, known as the assembly line production. Others included large foreign investment and war-time loan as well as agricultural exports.

Q.8. Describe how the Great Depression spread from USA to other countries of the world.

Ans. American crisis affected other countries in Europe and elsewhere by virtue of their being dependent on her overseas capital investment and loans. Then, their own internal weaknesses made the conditions worse. Many factors were responsible including lack of confidence and panic among the investors. Britain also decided to return to the gold standard ratio of US dollar 4.86 to 1 pound sterling which was the pre-World War I level.

Q.9. Write a short note on the effects of the Second World War.

Ans. The Second World War was more devastating than the first. About 3 per cent of the world's population perished, more so the civilians than the fighting soldiers. Two crucial developments shaped the post-war scenario of which the first one was the emergence of the USA and the USSR as superpowers. Second was the establishment of international organisations like the UNO and others to maintain peace and stability.

Q.10. Briefly summarise the two lessons learned by the economists and politicians from the post-war economic experience.

Ans. In post-war system, two lessons were learned by the economists and politicians. One was to ensure mass consumption in an industrial society by high and stable income. Another one was to ensure full employment and government control of flows of goods, capital and labour. Therefore, they aimed to establish a stable economy and provide full employment in the industrial nations through the Bretton Woods institutions, namely, the IMF and the World Bank.

Q.11. How did silk routes link the world? Explain with three suitable examples. (2010)

OR

Explain any three characteristics of the Silk Route. [2011 (T-1)]

Ans. Pre-modern trade and cultural links between distant places were established by the Silk Routes.

- (i) For example: The silk route linked the West and China as silk cargoes were carried along this route. Historians have mentioned and identified several silk routes over land and by sea which brought together vast areas of Asia and linked Asia with Europe and Northern Africa.
- (ii) Chinese pottery travelled to India through these routes even before the Christian era, and textiles and spices from India and South-East Asia, precious metals, like gold and silver, flowed from Europe to Asia.
- (iii) Trade and cultural exchange took place at the same time. Buddhism emerged from eastern India and spread in several directions through the silk route. Christian missionaries travelled through these routes to Asia, as did the early Muslim preachers a few centuries later.

PREVIOUS YEARS' QUESTIONS

Q.12. Explain the three types of flows within the international economic exchanges during 1815-1914. (2010)

OR

Mention the three types movements of flows or within the international economy exchange in the 19th century. [2011 (T-1)]

- Ans.**
- (i) The first is the flow of goods, e.g. cloth or wheat. After the corn laws were scrapped in Britain, it started importing food. Eastern European countries, Russia and America increased their food productivity to meet the needs of Britain. There was faster growth of industry in Britain and, with increased food productivity in other countries, more land was put under cultivation. This meant building homes and settlements, which required capital and labour.
 - (ii) The demand for labour in places like America and Australia led to migration. There was flow of labour in search of employment. Nearly 50 million people migrated from Europe to America and Australia in the 19th century. All over the world about 150 million are estimated to have left their homes and crossed oceans for a better future.
 - (iii) This led to the third flow — movement of capital for short-term or long-term investments. By 1890 a global agricultural economy had taken shape, accompanied by complex changes in labour patterns.

Q.13. Define the term 'trade surplus'. How was the income received from trade surplus with India used by Britain? (2010)

OR

What is meant by, 'Trade Surplus'? Why did Britain have a trade surplus with India?

OR

How did Britain's trade surplus from India help her to balance its trade deficits?

Ans. Over the 19th century, British manufactures flooded the Indian market. Food grain and raw material exports from India to Britain increased. But the value of British exports to India was much higher than the value of British imports from India. Thus, Britain had a trade surplus with India.

- (i) Britain used this surplus to balance its trade deficits with other countries, that is, with countries from which Britain was importing more than it was selling to them.
- (ii) Britain's trade surplus in India also helped pay the so called "home charges" that included private remittances sent home by British officials and traders, interest payments on India's external debt and pensions of British officials in India.

Q.14. How did the First World War change the economic life of the people in Britain? Explain. (2010)

Ans. The First World War had a great impact on the economic life of the people of Britain. During the war, industries were restructured to produce war-related goods. Entire societies were reorganised for war. Women had to step in to take up jobs that earlier only men were expected to do. The men had gone to fight.

After the war, economic recovery proved difficult for Britain. The war had led to an economic boom due to a large increase in demand, production and employment. As the war boom ended, it resulted in less production and increased unemployment. In 1921, one in every five British workers was out of work. It created anxiety and uncertainty about work.

Many agricultural economies also suffered a crisis. During the war Canada, America and Australia had expanded dramatically as suppliers of wheat while Europe had declined. The glut in wheat led to falling grain prices, rural incomes declined and farmers fell into debt.

Britain, which was a leading economic power, had to borrow large sums of money from US banks. This led to increased suffering of people.

Q.15. Explain the two factors responsible for the Great Depression in the world in 1929. (2010)

Ans. A worldwide economic crisis occurred in 1929 in many countries and lasted till 1934. It started in USA and engulfed many countries of the world except Russia.

- (i) The American industry had got a great boost during the First World War of 1914-1918. They continued producing different articles even after the war, which created a glut in the market. As a result, exports fell and the home market could not absorb all the products. It led to catastrophic decline in production, employment, incomes and trade. There was unemployment as factories were closed, workers laid off, production went down by half.
- (ii) The greatest sufferer was the agricultural region. During the war, America had become the greatest supplier of wheat along with Canada and Australia. But after the war the Eastern European countries revived their wheat production. There was a slump as in industries, prices fell steeply. Farm produce rotted due to lack of buyers.

Q.16. What is Group-77? Why did Group 77 countries demand a New International Economic Order? Explain. (2010)

OR

Explain what is referred to as the G-77. In what ways can G-77 be seen as a reaction to the activities of the Bretton Woods twins? [2011 (T-1)]

Ans. The IMF and the World Bank or the Bretton Woods twins served in the reconstruction of these nations. In the process, large corporations of powerful nations like the USA often managed to secure economic and other extra-territorial rights over weaker nations.

The economic advances made by the West and Japan in the 1950s and 1960s did not benefit most of the developing countries.

As a reaction to the activities of the Bretton Woods twins, they organised themselves into a group known as the Group of 77 or G-77 in order to demand a new international economic order (NIEO). The NIEO stood for a system that would give these nations real control over their natural resources, more development assistance, fairer prices for raw materials, better access for manufactured goods in their markets.

Q.17. Give two examples from history to show the impact of technology on food availability. [2010, 2011 (T-1)]

OR

Explain with examples how technology helped in solving problems of food availability throughout the world in the 19th century (2010)

Ans. The nineteenth century witnessed a high rate of growth in industrial and agricultural products.

(i) The technological development was accelerated by the industrial growth and increasing world trade. Colonies also provided the resources and markets which sustained the industrial growth. Thus, railways were needed to link agricultural regions to the ports from where the goods were transported to more destinations, thereby increasing food availability.

(ii) Shipbuilding also became an important industry and countries competed to control the trade routes on seas. Technology helped in the larger social, political and economic factors. For example, steamships and railways helped in carrying large volumes of trading materials between long and inaccessible distances.

(iii) A fine example of the interdependence of technology and economy was the trade in meat. The invention of refrigerated ships and use of chemicals which preserved perishable items for longer period lowered shipping costs and meat prices in Europe.

Q.18. Describe briefly the effects of Rinderpest in Africa in the 1980s. [2010, 2011 (T-1)]

Ans. The loss of cattle affected African livelihoods. Hunters, mine owners and colonial powers now had monopoly over what scarce cattle resources remained. After control over the scarce cattle resources, European colonisers could conquer and subdue Africa.

Q.19. How was the food problem solved in Britain after the scrapping of Corn Laws. Explain. (2010)

Ans. The immediate effect of the British government's decision to abolish the Corn Laws was the inflow of cheaper agricultural crops from Americas and Australia. Many English farmers left their profession and migrated to towns and cities. Some went overseas. This indirectly led to global agriculture and rapid urbanisation, a prerequisite of industrial growth.

Q.20. Explain how the First World War was so horrible as war like none other before. (2010)

OR

Explain the effect of the death of men of working age in Europe because of the First World War.

Ans. The First World War was a war, like no other before. The war involved the world's leading industrial nations which now harnessed the vast powers of modern industry to inflict the greatest possible destruction on their enemies.

It was the first modern industrial war of saw the use of machineguns, tanks, aircraft, chemical weapons, etc. on a massive scale. Millions of soldiers were recruited from around the world and moved to the frontlines of large ships and trains. The scale of death — 9 million dead, 20 million injured — was unthinkable before the industrial age. These deaths and injuries reduced the able-bodied work force in Europe. Household incomes declined after the war. Entire societies were reorganised for war — men went to battle, women stepped in to take up jobs that earlier only men were expected to do.

Q.21. What were the main reasons for the attraction of Europeans to Africa? [2010(T-1)]

Ans. (i) The Europeans were attracted to Africa due to its vast resources of land and minerals.
(ii) Europeans came to Africa to establish plantation and mines to produce crops and minerals for export to Europe.
(iii) The Europeans conquered African and carved up the continent among themselves and became colonial powers.

Q.22. What was the impact of technology on food availability? Explain with the help of examples. [2011(T-1)]

Ans. Technological advances like faster railways, lighter wagons and larger ships helped more food, more cheaply and quickly from faraway farms to final markets. The trade in meat is an example. Refrigerated ships carried frozen meats from America, Australia to Europe at a lower cost and reduced the price of meat in Europe. The poor in Europe could now eat meat. Better living conditions were promoted.

Q.23. Explain the effects of British government's decision to abolish the Corn Laws.

[2010, 2011(T-1)]

Ans. (i) Abolishing of Corn laws in England led to import of food more cheaply in Britain.
(ii) British agriculture was unable to compete with cheap imports and vast lands were left uncultivated, rendering thousands of men and women jobless. They flocked to cities or migrated overseas.
(iii) Higher incomes due to industrialisation in England led to more food imports and greater food production in Eastern Europe, Russia, America and Australia.

Q.24. Give three examples to show that the world changed with the discovery of new sea routes to America. [2010, 2011 (T-1)]

Ans. Discovery of new sea routes to America led to its vast lands and abundant crops and minerals attract Europeans to it. Legends spread in 17th Century Europe about South America's fabled wealth in gold and expedition set off in search of El Dorado, the city of gold.

The Portuguese and the Spanish conquered America and precious metals, (specially silver) from silver and Mexico increased their wealth.

Many victims of religious conflicts in Europe fled to America. Slaves began to be imported from Africa to help grow cotton and sugar for European markets. Europe became the centre of the world trade.

Q.25. Why did the European employers find it difficult to recruit labour in Africa? Give two methods they used to recruit and retain labour. [2010, 2011(T-1)]

- Ans.** (1) European employers found it difficult to recruit labour in Africa because Africa had
- (i) abundant land and;
 - (ii) a small population. For centuries land and livestock sustained African livelihoods. People rarely worked for a wage.
- (2) (i) Europeans to attract labour, imposed heavy taxes which could only be paid by working for wages on plantations and mines.
- (ii) They changed inheritance laws to displace peasants from land; only one member of a family was allowed to inherit land. This pushed the rest the others in the labour market.

Q.26. What was the Corn Law? Why was the Corn Law abolished? What was the result of the abolishing of Corn Law? [2010(T-1)]

OR

What were Corn Laws? How did the abolition of 'Corn Laws' affect the people of England?

Ans. 'Corn Laws' were laws passed by the British government to restrict the import of corn.

Corn laws led to high food prices because the demand for food grains had gone up in the urban and industrial cities. This led to the abolition of Corn Laws, forced on the government by industrialists and urban dwellers.

The result was that food could be imported cheaply in Britain. Import of cheap food led to vast areas of land being left uncultivated, rendering thousands of men and women without jobs. People migrated to cities or overseas.

Q.27. The testimony of an indentured labourer : [2010(T-1)]

Extract from the testimony of Ram Narain Tewary, an indentured labourer who spent ten years on Demerara in the early twentieth century.

..... in spite of the best efforts, I could not properly do the works that were allotted to me in a few days I got my hands bruised all over and I could not go to work for a week for which I was prosecuted and sent to jail for 14 days new emigrants find the tasks allotted to them extremely heavy and cannot complete them in a day Deductions are also made from wages if the work is considered to have been done unsatisfactorily. Many people cannot therefore earn their full wages and are punished in various ways. In fact, the labourers have to spend their period of indenture in great trouble'

- (i) What happened to the worker in a few days of joining work?
- (ii) What happened to him when he was not able to complete the work allotted to him?
- (iii) How were the workers punished when the work was considered to have been done unsatisfactorily?

Ans. On arrival, labourers found living and working conditions very harsh, very different from what they were told and they had hardly any legal rights. In a few days, the worker found his

hands bruised and he could not work for a week. He was prosecuted and sent to jail for 14 days. Deductions were made from their salary if their work was considered unsatisfactory.

Q.28. Why did thousands of people flee from Europe to America in the 19th century? Give any three reasons. [2010, 2011(T-1)]

- Ans.** (i) Scrapping of Corn Laws, led to inability of British agriculture to compete with imports.
(ii) Thousands of people were left unemployed due to agricultural land lying uncultivated. So people migrated in thousands, crossed oceans to find employment and a better future.
(ii) There was demand for labour in America as labour supply was short. So people migrated to America in the 19th century.

Q.29. Write any three factors responsible for indentured labour migration from India. [2010(T-1)]

- Ans.** The three factors responsible for indentured labour migration from India were :
- (i) In mid-19th century cottage industries had declined in India and land rents had risen.
 - (ii) Lands were cleared for mines and plantations. This affected the poor who could not pay their rents.
 - (iii) Unemployment led to deep indebtedness of the workers and in the end they were forced to migrate in search for work.
To escape from poverty or oppression in their home villages, many Indians migrated to other lands.

Q.30. What is meant by the Bretton Woods System? Explain. [2010, 2011(T-1)]

Ans. The Bretton Wood system was an attempt to preserve economic stability and full employment in the industrial world. It established the International Monetary Fund to deal with external surpluses and deficits of its member states. The Bretton Wood system was based on fixed exchange rates. In this system national currencies, for example, the Indian rupee, were pegged to the dollar at a fixed exchange rate. The dollar itself was anchored to gold at a fixed price of \$ 35 per ounce of gold. It linked national currencies and monetary system.

Q.31. Explain three major features of global agricultural economy that had taken shape towards the close of nineteenth century. [2010(T-1)]

- Ans.** By 1890, a global agricultural economy had taken shape, accompanied by complex changes in labour movement patterns, capital flows, ecologies and technology.
- (i) Food no longer came from a nearby village or town, but from thousands of miles away.
 - (ii) It was not grown by a peasant tilling his own land, but by a recently arrived agricultural worker.
 - (iii) Food was transported by railways built for that very purpose, and by ships manned by low-paid workers from Southern Europe, Asia, Africa and the Caribbean.

Q.32. What was Rinderpest? How did Rinderpest change the economy of the African society? [2011(T-1)]

Ans. In Africa, in the 1880s a fast-spreading disease of cattle plague or rinderpest had a terrible impact on economy of African society. It was carried by infected cattle imported from British Asia to feed the Italian soldiers stationed in East Africa. It killed 90 per cent of the cattle of Africa. The loss of cattle destroyed African livelihoods. Planters, mine owners and colonial governments now monopolised remaining cattle resources. Africans were forced into the

labour market. Control over the scarce resource of cattle enabled European colonisers to conquer and subdue Africa.

Q.33. “Food offers many examples of long distance cultural exchange.” Justify this statement. [2011(T-1)]

Ans. Traders and travellers introduced new crops to the lands they travelled. Even ‘ready’ foodstuff in distant parts of the world might share common origins. It is believed that noodles travelled west from China to become spaghetti. Arab travellers/traders took **Pasta** to fifth-century Sicily, an island in Italy. Similar foods were also known in India and Japan. This suggests the possibilities of long-distance cultural contact even in the pre-modern world. Many of our common foods such as potatoes, soya, groundnuts, maize, tomato, chillies had their origin in the Americas.

D. LONG ANSWER TYPE QUESTIONS [4 MARKS]

Q.1. What is globalisation? Explain.

Ans. Globalisation is generally associated with economy as the free movement of capital, goods, technology, ideas and people across the globe. Globalisation in a broader sense also includes cultural exchanges between different countries of the world.

In modern world, globalisation has acquired special significance due to development of Internet technology and tele-communication. Therefore, globalisation involves the following features:

- (i) Economic freedom to trade internationally.
- (ii) Migration in search of employment and a better life.
- (iii) Cultural exchange like the spread of Buddhism and knowledge.

The interlinking of the world is a continuous process from the past. In the past, interlinking involved only a few travellers, traders, priests and pilgrims who travelled vast distances in search of knowledge, opportunity, spiritual fulfilments or to escape persecution. In modern days, interlinking is faster and involves more people. In other words, the world is shrinking in terms of communication and trade.

Q.2. Trace the origin of Silk Route and its significance.

Ans. The Silk Route is one of the world’s oldest and historically most important trade route which affected the cultures of China, Central Asia and the West. It had many branches leading to different regions including ancient India. It played an important role as a means of pre-modern trade and cultural exchange between different regions.

The Romans learned about the Silk Route from the Parthians around 53 B.C.E. They used the word “Seres” or the silk people to refer to the Chinese. The modern word “Silk Route” was coined by a German scholar, Von Richthofen, in the nineteenth century. Silk was considered the most precious by the Romans even though it was only one of the many commodities that was traded between China and the world through this route.

Q.3. How is culture a great agent of globalisation? Explain with example.

Ans. Trade and cultural exchange went hand in hand. Religion was perhaps one of the most important commodities carried along the Silk Route. Buddhism reached China from India along the northern branch of the route. The Karakorum passes were used as a means to explore the faiths and scriptures by the missionaries.

Art, literature and philosophical ideas were exchanged and in the process, it affected the

cultures of different countries to which the route branched out. Even Christian missionaries travelled along the Silk Route to Asia, followed by Muslim preachers a few centuries later. The long rule of British in India also left an indelible western influence in different ways.

Q.4. Explain how Europe was able to leap ahead of other continents by the 18th century.

Ans. Europe made a leap ahead of others due to scientific and revolutionary ideas rooted in different developments.

- (i) Renaissance or rebirth of knowledge in which classical Greek and Roman art, architecture, literature were rediscovered.
- (ii) The Industrial Revolution, leading to new inventions and technology.
- (iii) Ideas and principles influenced by the American Revolution and French Revolution in the form of democracy, liberty, capitalism, nationalism etc.

Q.5. Discuss why the Europeans were motivated to establish colonies.

Ans. Europe became the centre of world trade by the nineteenth century, mainly sustained by colonies. Colonisation of Americas were motivated more by the greed of wealth and search for a better life. On the other hand, colonisation of Asian and African countries was also motivated by conditions in Europe, caused by the Industrial Revolution and greed for economic and political dominance of the world.

Many factors motivated the Europeans to establish colonies:

- (i) Some Europeans left for America seeking better life and some were dissenters (those who refuses to accept established beliefs and practices) and prisoners.
- (ii) The Industrial Revolution created the need for unlimited resources and cheap labour. They needed raw materials to feed the growing industries. They also needed markets for distribution. They needed colonies.
- (iii) Missionary zeal of the Jesuits and nationalism inspired further exploration, conversion and territorial expansion.

Q.6. Discuss one of the important causes and effects of the development of global agriculture.

Ans. Cause : The abolition of Corn Laws led to the import of cheap agricultural products in England. Unable to compete with imports, many left agricultural activities and flocked to the cities. This led to large scale migration of people to cities and overseas. This indirectly led to global agriculture and rapid urbanisation, a prerequisite of industrial growth. Countries like Eastern Europe, Russia, America and Australia increased their food productivity to meet the British needs and in the process, slowly became industrialised to different degrees.

Effect : Nearly 50 million people migrated from Europe to America and Australia in the nineteenth century. Another estimate was the migration of about 150 millions of the world population, mostly from Europe, who crossed the oceans for a better life. By the end of the nineteenth century, a global agricultural economy replaced the earlier self-sufficient economy. Industries and factories helped in a better flow of capital and technologies. Colonies were firmly established and they provided cheap raw materials and labour, who manned most of the railways in Southern Europe, Asia, Africa and the Caribbean.

Q.7. What were the effects of colonialism on Indian agricultural export in the nineteenth century?

Ans. The effects of colonialism in Indian agriculture was the destruction of self-sufficiency in rural

areas. Some of the important features are listed below:

- (i) The traditional cotton handlooms and products could not compete with the industrial manufactured cotton textiles from Britain.
- (ii) High tariff on Indian textiles and import taxes on Indian goods entering Britain severely affected Indian farmers.
- (iii) Indigo plantation and other cash crops replaced food crops, leading to shortage of food, especially during famines, etc.
- (iv) Moneylenders and landlords exploited farmers who were indebted to them and many became landless labourers.

Q.8. Explain how the world was transformed after the World War (1914-1918).

Ans. The Great War transformed the world drastically with the adoption of a new mode of warfare based on modern weapons of mass destruction. They used machine guns, tanks, aircraft, chemical weapons, etc. on a mass scale. The number of deaths reached up to 9 million and of the injured reached upto 20 million at the end of the war. Most of the victims belonged to young generations or the workforce. As a result, it reduced the workforce in Europe, thereby reducing household income.

Economic transformation was in the form of shift in investment and capital distribution. The wartime situations encouraged production of war-related goods. Society also reorganised to meet wartime challenges, such as the increasing role played by women in areas previously predominated by men.

Politically, the war also brought new allies and new enemies between powerful countries. The war in Europe transformed the US from being an international debtor to international creditor. Russian revolution of 1917 also affected global relations when the first communist government was established under the leadership of Vladimir Lenin. Colonies changed hands while some new nations emerged.

Q.9. What were the immediate effects of the World War on European agriculture?

Ans. Europe paid a heavy price during and after the World War, especially in terms of economic status.

- (i) America, Australia and Canada became main exporters of agricultural and manufactured goods during the war. For example, Eastern Europe was a major supplier of wheat products in pre-war time. Their production ceased during the wartime and Europe depended on wheat imports from USA, Canada and Australia.
- (ii) There were shortage of food during the war as all form of production ceased during the war. The countryside were especially hit due to bad crops and ravages of war.
- (iii) In Russia, the war expenses and death tolls at the front led to an uprising which became the Russian Revolution of 1917. It led to the foundation of Communism.
- (iv) When the war ended, Eastern Europe revived its wheat production, leading to a glut in the economy. In other words, grain prices fell as a result of over-production or excess in supply. Rural incomes declined and farmers fell deeper into debts.

Q.10. Trace the different stages of development of the assembly line production.

Ans. Henry Ford, the pioneer of the assembly line production, was inspired by the assembly line of a Chicago slaughter house which he adapted to his new car plant in Detroit. Accordingly, the workers were forced to repeat a single task mechanically and continuously, standing in front

of a conveyer belt with no respite or break to delay the motions. As a result, Ford cars came out of the assembly line at three minute intervals, much faster than any other methods. The T-Model Ford was the world's first mass-produced car.

The stress and the pressure of working monotonous led many workers to quit their jobs. Henry Ford doubled the daily wages to five dollars in January 1914. He banned trade unions from operating in his plants. He was able to recover his wages by repeatedly speeding up the production line and forcing the workers to work even harder.

Q.11. Who profits from jute cultivation according to the jute growers' lament? Explain.

Ans. The impact of the Great Depression in India was felt especially in the agricultural sector.

- (i) It was evident that Indian economy was closely becoming integrated to global economy. India was a British colony and it exported agricultural goods and imported manufactured goods. The depression affected the Indian trade as India's exports and imports declined extensively between 1928 and 1934. As international prices fell, prices in India also fell.
- (ii) The jute growers of Bengal lamented that the traders sitting at home benefitted from growing jute while the peasants suffered from rising cost of production and debts. Despite the falling prices of agricultural goods, the colonial power refused to reduce the revenue demands in cash. Peasants and farmers involved in cash crops were worst hit.
- (iii) The urban salaried class and the landlords benefitted from the falling prices of agricultural products and the value of rent increased. Large scale migration from villages to towns and cities also affected the urban life-style.

Q.12. Write down important causes and effects of the Second World War.

Ans. The Second World War started in 1939 and continued up to 1945. The two warring camps were :

- (i) The Allies consisting of Britain, France, Russia and the USA.
- (ii) The Axis powers consisting of Germany, Japan and Italy.

Causes :

Many factors caused the Second World War. The Great Depression of 1929, failure of the League of Nations, rise of dictatorship in Germany and Italy under the Nazis and Mussolini respectively were some of the important causes.

Effects :

- (i) About 3 per cent of the world's population perished.
- (ii) Two crucial developments shaped the post-war scenario. They were:

- (a) The emergence of USA and the USSR as superpowers.

At least 6 million people died, millions more were injured. Most of the deaths took place outside the battlefields. More civilians than fighting soldiers died. Vast parts of Europe and Asia were devastated and several cities destroyed by aerial bombings. It caused enormous economic devastation and social disruption. Reconstruction was long and difficult.

- (b) The establishment of international organisations like the UNO and others to maintain peace and stability.

Q.13. Discuss some important features of the International Monetary Fund and the World Bank.

Ans. Role : The IMF was to deal with external surpluses and deficits of its member nations. The World Bank was an international bank for reconstruction and development aimed to finance the post-war reconstruction.

The IMF and the World Bank commenced financial operations in 1947.

Features :

- (i) The western powers and especially the USA controlled the decision-making provisions such as the right to veto.
- (ii) The international monetary system was to link national currencies and monetary system.
- (iii) The Bretton Woods system was based on a fixed exchange rate whereby national currencies were pegged to the American dollar at a fixed rate. The dollar was anchored to gold at a fixed price of \$35 per ounce of gold.

PREVIOUS YEARS' QUESTIONS

Q.14. Describe in brief the world economic conditions of the post-First World War period.

(2010)

Ans. Post-war recovery proved to be difficult.

Britain, which was the world's leading economy in the pre-war period, in particular faced grave crises. Britain found it difficult to recapture its earlier position of dominance in the Indian market and to compete with Japan internationally. Both India and Japan had developed industries during the war, Britain owed a great war debt to the USA, as it had borrowed liberally from the US.

The war had also led to an economic boom as there had been a large increase in demand for production and employment. When the war boom ended it led to huge job losses as the government reduced war expenditures. In Britain, one in every five workers was without a job. Many agricultural economies also faced a crisis. Before the war, eastern Europe was a major supplier of wheat in the world market. War disrupted production and as a result wheat production in Canada, Australia and America expanded dramatically. But when the war ended, wheat production in Europe revived and there was a glut of wheat output. Grain prices fell, incomes declined and farmers fell deeper into debt. Only the US was able to recover quickly.

Q.15. Why was the nineteenth century indenture described as a 'New System of Slavery'?

[2011 (T-1)]

Ans. In the 19th century, hundreds of thousands of Indian and Chinese labourers went to work on plantations, in mines and in road and railway construction projects around the world. In India, indentured labourers were hired under contracts which promised return travel to India after five years of work. Recruitment was done by agents engaged by employers. Many migrants agreed to take up work, hoping to escape poverty or oppression in their home villages. Agents gave them false information about final destinations, modes of travel or nature of the work and living and working conditions. Often the migrants were not even told that they would have to make a long sea voyage. Sometimes agents even forcibly abducted less willing migrants.

On arrival at the plantations, labourers found conditions to be very different from what they were told. Living and working conditions were harsh, they had few legal rights. It was indeed

a new system of slavery which was condemned by Indian nationalist leaders in 1900 as abusive and cruel. It was abolished in 1921.

Q.16. Explain any four causes of the Great Depression. [2010, 2011 (T-1)]

Ans. The reasons for the Great Depression of 1929 are :

- (i) The post-war world economy was very fragile. First, agricultural overproduction remained a problem. It was made worse by falling prices. There was a glut in the market pushing down prices even further and farm produce rotted due to lack of buyers.
- (ii) In the mid-1920s many countries had financed their investments through loans from the US. US overseas lenders panicked at the first sign of trouble. In the first half of 1928, US overseas loans had amounted to over \$ 1 billion. A year later it was one quarter of that demand. Countries dependent on US loans now faced an acute crisis.
- (iii) Withdrawal of US loans led to failure of major banks in Europe and collapse of currencies like the British pound sterling. In Latin America and elsewhere it intensified the slump in agricultures and raw material prices.
- (iv) The US attempt to protect its economy in the depression by doubling import duties also dealt a severe blow to world trade.

Q.17. Explain any four measures adopted by America for post-war recovery. [2010 (T-1)]

Ans. One measure adopted by America for post-war recovery was :

- (i) Mass production; it became a feature of industrial production in US. An example is Henry Ford, the car manufacturer. He adopted 'assembly line' method for faster and cheaper production. Car production increased from 2 million in 1919 to more than five million units in 1929.
- (ii) Similarly, there was boom in production of refrigerators, washing machines, all purchased through a "hire purchase" system. Credit repaid in weekly or monthly instalments.
- (iii) There were large investments in housing and household goods which created a cycle of higher employment and incomes, rising consumption demand, more investment.
- (iv) The US resumed exporting capital to the world in 1923. US exports and imports boosted European recovery and world trade and income growth over the next six years.

Q.18. How far is it correct to say that "The First World War was the first modern industrial war." Explain. [2010 (T-1)]

Ans. The First World War was really the first modern industrial war. It involved the world's leading industrial nations. These nations harnessed the vast powers of modern industry to inflict the greatest destruction on their enemies. Machine guns, tanks, aircraft, chemical weapons were used on a massive scale. Millions of soldiers recruited, from around the world, were moved to the front lines on large ships and trains. The scale of death and destruction — 9 million dead, 20 million injured — was unthinkable before the industrial age, without the use of industrial arms.

Q.19. "The indentured labour gave rise to a new culture in the Caribbean islands." Justify this statement with any four suitable examples. [2010 (T-1)]

Ans. The Indian indentured labour in the Caribbean developed new forms of individual and collective self-expression, mixing different cultural forms, old and new :

- (i) In Trinidad the annual Muharram procession was transformed into a notorious carnival called "Hosay" (for Imam Hussain) in which workers of all religions and races joined.

- (ii) In the same way, the protest religion of Rasta Farianism (made famous by the Jamaican reggae star, Bob Morley) reflected the social and cultural links with Indians migrants to the Caribbean.
- (iii) "Chutney Music," popular in Trinidad and Guyana, is another expression of the new culture.
- (iv) Many indentured workers stayed on after their contracts ended. This fusion was a result of things from different places getting mixed, losing their original characteristics and becoming something new. Consequently, there are large communities of Indian descent in these countries. Famous examples are the Nobel Prize winning writer V.S. Naipaul and West Indies cricketers like Shivnarine Chanderpaul and Ramnaresh Sarwan.

Q.20. The Economic Depression of 1929 proved less grim for urban India. Explain with four examples. [2011 (T-1)]

Ans. The depression was less grim for urban India.

- (i) Those who received fixed incomes in form of rents or salaried employees found themselves better off.
- (ii) Everything cost less
- (iii) Industrial investment also grew as the
- (iv) Government extended tariff protection to industries under pressure of nationalist opinion.

Q.21. Discuss the factors that led to the end of Bretton Woods system and the beginning of globalization. [2010, 2011 (T-1)]

- Ans.**
- (i) End of Bretton Woods came with the US dollar no longer commanding confidence in the world's principal currency. From 1960's the rising cost of overseas investment weakened the US's finances and competitive strength. It could not retain its value in relation to gold. It led to the collapse of the system of **fixed exchange rates** and the introduction of floating exchange rates.
 - (ii) In 1970's international financial system also changed. Developing countries were now forced to borrow from western commercial banks and private lending institutions instead of international institutions. This led to periodic debt crisis in the developing world, increased poverty in Africa and Latin America.
By 1970s MNC's also began to shift production operations to low-wage Asian countries.
 - (iii) China which had been cut off from the post-war world economy, since its revolution in 1949, has now come back into the fold of the world economy. Its new economic policies and the collapse of the Soviet Union has led to it. Low cost structure of the Chinese economy, its low wages, has flooded the world market with Chinese goods.
 - (iv) The relocation of industry to low wage countries has stimulated world trade and capital flows. The world's economic geography has been transformed as countries such as India, China and Brazil have undergone rapid economic transformation.

Q.22. What is meant by globalization? Describe the three types of movements or flows within international economic exchange. [2011 (T-1)]

Ans. See Ans. No. 12 Short Answer Type Question.

Q.23. What were the Corn Laws? How did the abolition of Corn Laws affect the people of England? [2011 (T-1)]

Ans. See Ans. No. 26, Short Answer Type Question.

Q.24. How did the global transfer of diseases in the pre-modern world help in the colonisation of the Americas. [2011 (T-1)]

Ans. European conquest of Americas was not just a result of superior firepower. It was mainly because of germs such as those of smallpox that they carried on their person. America's inhabitants had no immunity against these diseases that came from Europe. Smallpox in particular proved a deadly killer. Once introduced, it spread deep into the continent, ahead even of any Europeans reaching there. It killed and decimated whole communities, paving the way for conquest. The European conquerors were immune to diseases such as smallpox.

Q.25. Explain why economy of USA was strong in the early 1920s? Would you agree that the roots of the Great Depression lay in this 'boom'. Give reasons for your answer. [2011 (T-1)]

Ans. The first World War helped boost the U.S. economy. The most important feature of U.S. economy in the 1920s was the mass production. Mass production lowered costs and prices of engineered goods. This led to higher wages and manifold increase in the purchasing power of workers. The housing and consumer boom of the 1920s created the basis of prosperity in the U.S. This created a cycle of higher employment and income, rising consumption demands more investment and more employment and incomes. Overproduction led to fall in prices of goods. With the fall in prices, U.S. banks had also slashed lending and called bank loans. Farms could not sell their harvests, households were ruined and businesses collapsed.

Q.26. What was the impact of the First World War on the socio-economic conditions of the world. Describe any four points. [2011 (T-1)]

- Ans.**
- (i) During the war, industries were restructured to produce war-related goods. Entire societies were also reorganised for war – as men went to battle, women stepped in to undertake jobs that earlier only men were expected to do.
 - (ii) Most of the killed and maimed were men of working age. With fewer members within the family, household incomes declined after the war.
 - (iii) Economic powers like Britain and France declined after the war. The war transformed the U.S. from being an international debtor to an international creditor.
 - (iv) The war had led to an economic boom, that is, to a large increase in demand, production and employment. When the war boom ended, production contracted and unemployment increased.

II. FORMATIVE ASSESSMENT

A. PROJECT

Project 1

Topic : The Role of Industrial Revolution and Colonisation in making Europe the centre of world trade in the 19th century.

Objectives :

- To create an awareness of the events that made Europe leap ahead of other continents in the 19th century.
- To understand the role of technology and conquests in globalisation.

Skills developed : Analytical thinking, creative thinking, communication skills, planning

- Time required** : 4 days
- Method** : Collecting material on Industrial Revolution and Colonisation in the 19th century.
- Role of Technology : Railways, telegraph, faster ships.
 - Food becoming cheaper
 - Colonisation of Africa by European nations
 - Migration of labour – indentured
 - Effect on trade of colonised countries (e.g. India)
 - Collecting pictures, figures, illustrations, maps.
 - Take help from pictures and illustrations in the textbook.

Project 2

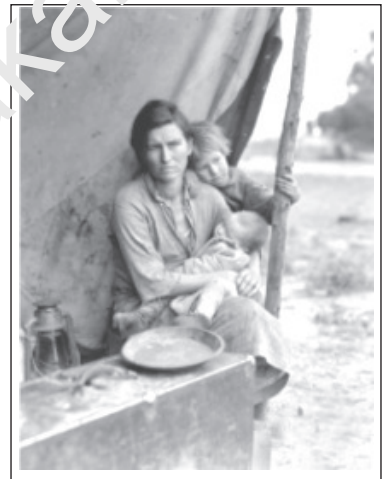
- Topic** : The Great Depression of 1929 (Comparison with the Global Depression in the world since 2009).

- Objectives** :
- To create awareness about how the Great Depression affected the whole world.
 - To understand how the World War I led to fall in production, employment, trade and income and caused economic collapse.
 - Make comparison with the present global economic depression.

- Skills Developed** :
- Critical and creative thinking, communicative skills
 - Understanding the economic link between countries due to globalisation.

- Time** : 4 days

- Method** :
- Collecting material on the Great Depression from newspapers, magazines, Internet.
 - How collapse of the US economy led to a worldwide crisis.
 - Explore how far the same reason operates behind the present economic crisis
 - Explore regions affected by the economic crisis and reasons for it.
 - Look at the picture. What is the picture depicting?



B. ASSIGNMENTS

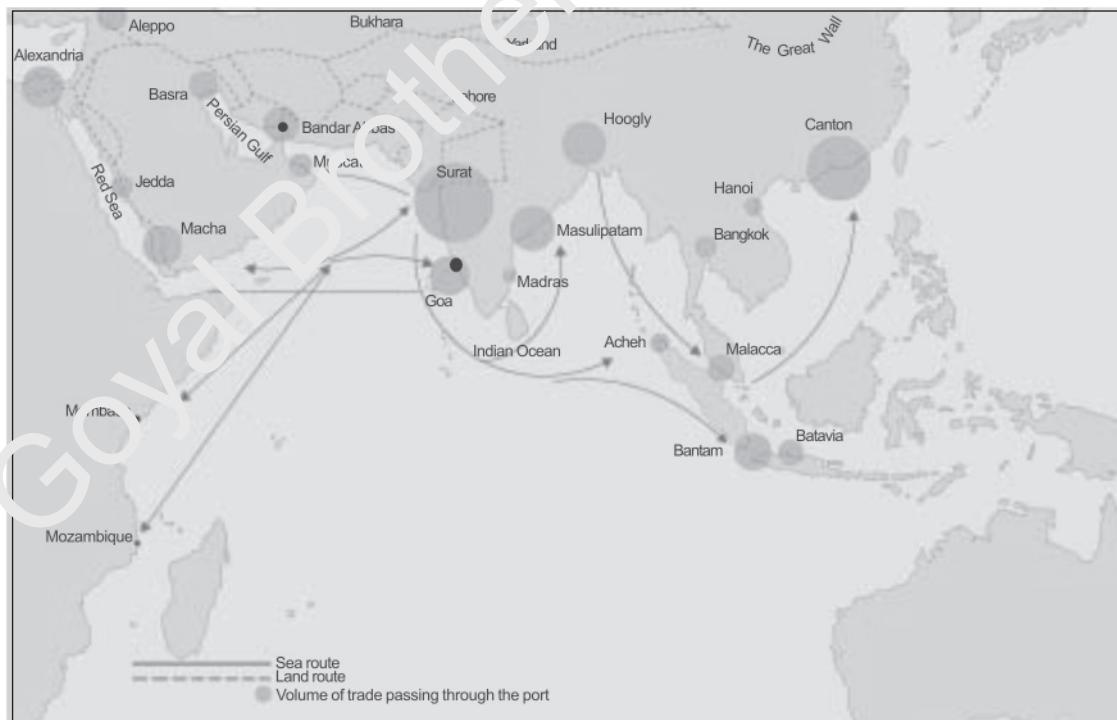
1. Imagine you are a teacher of history. Explain to your class, in a lecture, what globalisation means and how it existed even in ancient times, before the 16th century.
2. Read the following statement by John Winthrop, the first Governor of the Massachusetts Bay Colony in New England (May 1634).
Smallpox signalled blessing for the colonists : _____ “the natives _____ were neere (near) all dead of small poxe (pox), so as the Lord hath (had) cleared our title to what we possess.

Write a report on how ‘germs’ and disease’ helped the European powers to colonise (a) South America in the 16th century (b) Gain economic control in Africa in the 1890’s.

3. After a class discussion, you write an article on the effect of World War II on economy and the lessons learnt by economists and politicians.

C. ACTIVITIES

1. Divide the class into two groups. One group prepares a paper on why Bretton Woods System came into being and its benefit. The second group prepares a paper on why the Bretton Woods System failed to satisfy many of the member countries and what replaced it. Choose a leader from each group to read out the paper.
2. As a journalist write a report for your newspaper on “Indentured Labour”.
Your report should include :
 - (i) Meaning of indentured labour
 - (ii) Methods of recruiting indentured labour
 - (iii) Condition of the labourers based on interviews of Chinese and Indian labourers.
 - (iv) Higher income for the rulers and ‘a new slavery’ for the labour.
 - (v) World condemnation of the system.
3. Study the map of trade routes that linked India with the world in the 17th century. Based on it, find out what India exported under the British rule. How the British benefitted from the trade and the Indian trade suffered.



D. DEBATE

“The two disastrous world wars have not stopped the big powers from going to war and ruining the development and bringing an economic depression in the world.” Have a class debate on the above topic. (Include the reasons for the economic depression in the world today.)

E. CASE STUDY

Take the city of Detroit (USA) as a case study. Study and write under the following heads :

- (a) Post-war conditions in Europe and America
- (b) Recovery in US economy after the war
- (c) Study of Henry Ford’s car production
- (d) Consequences of mass production on US economy and its influence on Europe.
- (e) How long did it last?

F. CLASS DISCUSSION

Divide the class into five groups. Each group takes up a topic and prepares a chart on it, highlighting the causes, main events and consequences involved in the topic.

- (a) Corn Laws
- (b) Ru de pest or the cattle plague
- (c) Indian Trade
- (d) C-77
- (e) Beginning of globalisation from the mid-1970s.